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BULLETIN OF BUSINESS RESEARCH

Edited by the Staff
THE BUREAU OF BUSINESS RESEARCH
College of Commerce and Administration, The Ohio State University

VOLUME VII | AUGUST, 1932 | NUMBER 7

The Business and Industrial Outlook

The improvement during July and August in business sentiment, although unaccompanied by much tangible evidence of business improvement aside from retention of recent price gains in some basic commodities, may be regarded, nevertheless, as a constructive factor under the present circumstances, since without doubt a part of the present difficulty, though probably by no means the major part, has been due to the widespread feelings of apprehension and lack of confidence. Nor is the growing feeling that already many readjustments requisite to recovery have been made without some basis, although an actual upturn in fundamental business indicators is, in the main, still lacking.

Not the least among the factors in the general situation affording a basis for the current wave of optimism is the fairly widespread belief that in the industrial world things are about to their lowest point, that any further change must of necessity be upward, and that such a change cannot be delayed much longer. The fact that July was a month of new all-time lows in many of the basic industries in connection with the fact that seasonal factors usually produce some improvement during the fall months has, without doubt, strengthened somewhat this belief that the worst must be over. Of a more positive and tangible character is the improvement in the general financial condition over that of two months ago, due largely to the improvement in our international financial position. Gold exports have practically stopped due to the depletion of European balances in this country, and the season factors are such that the international movement of funds is likely to be in our favor for some months to come.

Further impetus to a more optimistic outlook was provided in the passage of the Federal Home Loan Bank bill, providing $105,000,000 to give financial aid to home owners through rediscount of home-loan mortgages held by various types of corporations, and by the passage of the unemployment relief bill, particularly the provision providing $1.5 billion to finance the construction of self-liquidating public projects.

The general improvement in the banking situation was reflected during the latter part of July and the first half of August in fewer bank failures after the rather rapid June increase, and by a check on the increase in the amount of money in circulation which began early in June and continued through the first half of July. A rather substantial decline in the amount of money in circulation during the second week of August gives further evidence of returning confidence in the financial structure insofar as it represents a decline in hoarding. Among the discouraging banking symptoms, from the point of view of business revival, is the further decline in the loans and investments of banks, which during the past seven months have suffered a shrinkage of over $600 million. That bank loans should continue to decline in view of the volume of credit made available by the Federal Reserve easy-money campaign suggests continued hesitancy on the part of banks to endanger their liquidity and continued failure of demand for such loans from the greater part of industry. The continued decline in bank investments, except in government securities, indicates that the recent increase in bond-buying has not been supported by the banks.

The decline in the rate of purchase of Government securities by the Federal Reserve banks is no cause for alarm to those who advocate an easy-money policy as a business stimulant, in view of the rider to the Home Loan Bank bill conferring the circulation privilege upon a large mass of United States Government securities, providing thereby the basis for an expansion of about $1 billion in the volume of bank notes. Although this measure has distinct inflationary possibilities, it is doubtful, however, that the volume of currency will be materially increased unless an expanding volume of business creates more demand for it than now exists. The assumption back of this type of legislation, as well as that back of easy money as a business stimulant, is that the chief limiting factor to business revival is the scarcity of currency and of credit. As has been pointed out before, although the lack of abundant credit and an adequate volume of currency, other things being favorable, may retard business expansion, it does not follow that the mere availability of ample supplies of both credit and currency will stimulate business unless other, and perhaps more fundamental, factors are favorable.

The most significant manifestations of the better sentiment prevailing during July and August were the increases in both stock and bond prices, which occurred with little support from the general business situation and, indeed, in the face of much that was definitely discouraging. The chief basis for the current upturn in stock prices was the relatively low level from which the rise began, and, because of the very low level to which the market had declined, the percentage increase has been unprecedentedly great for such a short period.

Financial, psychological, political, and technical factors, rather than tangible evidence of real business improvement, must be credited for the very rapid increase in prices. Under present conditions, it is doubtful whether prices at existing levels can be long maintained without substantial evidence of an upturn in business in the very near future. The fact that there was much outright buying on the large volume days, however, makes volume liquidation on a declining market less of a menace to the present price structure than it otherwise would be, making it somewhat more possible for the present market to await further developments in the business situation. If signs

Special Article in This Issue: The Home Loan Bank Act

BULLETIN OF BUSINESS RESEARCH

Published Monthly at the Ohio State University Press, Columbus, Ohio

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Entered as second class matter March 3, 1926, at the Post Office at Columbus, Ohio, under the act of August 24, 1912. Acceptance for mailing at the special rate of postage provided for in section 1103, Act of October 3, 1917, authorized March 3, 1926.

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of a strong business recovery should be forthcoming, still further advances are probable, but, failing these signs in the very near future, it is extremely likely that present levels will not be sustained. The bond market also reflects public buying on the basis of better sentiment, as bank purchase of bonds, except government, continued to decline. The fact that the lower grade bond issues have advanced more rapidly than the high grade bonds, which is quite the reverse of the usual procedure, suggests that the present rise is not without some speculative character. The advance in government bonds, which has been stimulated all along by the volume buying of government issues by the Federal Reserve banks in connection with their easy-money policy and by the forced emphasis on bank liquidity and the dearth of safe investments for bank surpluses elsewhere, has been further aided by the recent legislation making government issues bearing not more than 3⅜ per cent eligible to secure national bank notes. The fact that the August offering of Treasury certificates to the amount of $750,000,000 was tremendously oversubscribed evidences the continued strong demand for this type of security.

Most of the recent gains in commodity prices have held and the number of commodities sharing in the increase has increased. However, the bulk of the gains are still confined to farm and food products although textiles and textile products have shown some advance. As in the case of stock and bond prices, much of this commodity price advance appears to be speculative in nature, and it remains to be seen whether demand at rising prices will be sustained in the face of volume offerings. It seems quite probable that the offering of any appreciable supply of several of the commodities now enjoying an increase will be encountered with renewed price weakness. The outlook from foreign markets grows less optimistic. The exports and imports of the United States were both low in June but the imports, for the first time in many months, exceeded the volume of exports by $6 million, and for the first half of this year the value of exports declined 36 per cent, and the value of the excess of exports, 60 per cent.

The number of business failures during the first half of 1932 increased 15.3 per cent, and the liabilities of the failing concerns, 45 per cent. In most of the basic industries the actual rate of activity was lower in July and has been without appreciable change during the first half of August. Iron and steel output after having descended to further lows in July are likely to break these lows in August, and the magazine, *Steel*, says, "the rising tide of sentiment continues to outweigh the realities of a reduction to 14 per cent in steel operations, and an unchecked flow of second quarter deficits." It is only the long pull that gives optimism to the automobile industry and several lean months are ahead, although some statisticians see a tremendous deferred replacement market backing up. The construction industry gave a better account of itself in July, but experience with this industry indicates that generalizations from one month's upturn are dangerous. Among other general business indicators to show further declines in July and August were freight carloadings and power production.

VIVA BOOTHE, *Assistant Editor.*

Business Conditions in Ohio and Ohio Cities

Employment in Ohio

Total industrial employment in Ohio declined 3 per cent in July from June as compared with a 5-year average July decline of only 2 per cent. Both manufacturing and non-manufacturing employment continued to decline in July, the former about 3 per cent, the latter about 4 per cent. The 3 per cent decline in manufacturing employment was no greater than the average July decline during the past 5-year period, but the 4 per cent decline in non-manufacturing employment was substantially greater than the average July decline of only 1 per cent. Construction employment increased 1 per cent in July from June but this increase was substantially less than the average July increase of 6 per cent during the past 5 years. As compared with July, 1931, manufacturing employment declined 20 per cent; non-manufacturing employment, 13 per cent; construction employment, 41 per cent; and total employment, 20 per cent. For the first 7 months of this year, as compared with the same period of last year, manufacturing employment dropped 18 per cent; non-manufacturing employment, 10 per cent; construction emlpoyment, 44 per cent; and total industrial employment, 17 per cent. In comparing percentage declines in 1932 from this corresponding period of 1931, it should be remembered that employment had reached a relatively low level in 1931 so that 1932 declines from 1931 expressed in percentages tend to be smaller than in the previous year.

Although for the State as a whole employment continued to decline in July, 276 of the 892 firms reporting to the Bureau of Business Research reported employment increases in July, and 142 reported no further change. In only 1 of the major manufacturing groups of industries, however, the chemicals group, was the June level of employment maintained in July. In all other groups July employment continued downward, the declines ranging from 1 per cent in the food products and the rubber products industries to 7 per cent in the textile products industries, and amounting to 2 per cent in the lumber products, the paper and printing products and the miscellaneous manufacturing industries, 3 per cent in the vehicles industries, and 4 per cent in the machinery, metal products, and the stone, clay and glass products industries.

products industries to 7 per cent in the textile products and the vehicles industries, the July decline from June was slightly less than the average July decline during the past 5-year period, indicating some improvement in employment when corrected for seasonal variation, and in the food group the decline was no greater than the average July decline. The declines in all the other industrial groups, however, were either greater than the average July decline or in contrast with an average increase.

TABLE I
EMPLOYMENT IN OHIO INDUSTRIES
JULY, 1932
Average Month 1926 = 100
Source: Individual Reports of Cooperators

Industry	Index July, 1932	Ch'ge July, 1932 from June, 1932	Aver. Ch'ge July, from June, 1927-1931	Change July, 1932 from July, 1931	Average Jan.-July Change from 1931
Total Manufacturing (653)*	62	— 3	— 3	—20	—18
CHEMICALS (23)	83	0	— 1	— 9	— 9
FOOD PRODUCTS (54)	99	— 1	— 1	—11	— 8
Bakery (16)	103	0	0	—10	— 4
Miscellaneous (38)	97	— 2	— 1	—11	— 9
LUMBER PRODUCTS (27)	49	— 2	0	—24	—16
Furniture (14)	51	0	— 2	—25	—15
Miscellaneous (13)	51	— 4	+ 1	—19	—15
MACHINERY (104)	62	— 4	— 2	—29	—24
Electrical Machinery, Apparatus and Supplies (25)	90	— 4	— 3	—25	—17
Machine Tools (20)	34	— 7	— 3	—50	—40
Material Handling and Power Machinery (14)	42	— 6	— 1	—42	—39
Special Purpose Machinery and Appliances (45)	60	0	— 2	—20	—21
METAL PRODUCTS (165)	53	— 4	— 2	—23	—22
Foundry Products and Drop Forgings (39)	53	— 8	— 4	—18	—20
Pipe, Pumps, Valves, Plumbers' Supplies (18)	43	— 7	+ 1	—39	—32
Screw Machine Products and Hardware (19)	49	— 9	— 4	—17	—14
Sheet Metal Work (22)	68	+ 6	— 2	—23	—25
Steel Works and Rolling Mills (15)	47	— 6	— 3	—25	—26
Stoves and Furnaces (13)	80	+ 5	+ 1	—14	—11
Miscellaneous (39)	66	— 2	— 1	—20	—14
PAPER & PRINTING (54)	89	— 2	0	—10	— 9
Paper, Including Stationery (13)	91	— 3	+ 1	—12	—10
Print. and Publishing (28)	93	0	— 1	— 7	— 7
Miscellaneous (13)	79	— 3	— 1	—13	—10
RUBBER PRODUCTS (20)	64	— 1	— 2	— 8	— 7
Tires and Tubes (11)	63	— 1	— 2	— 7	— 5
Miscellaneous (9)	75	+ 1	— 2	—11	—21
STONE, CLAY AND GLASS PRODUCTS, (68)	53	— 4	— 7	—27	—21
Brick and Tile (28)	39	+13	— 1	—32	—32
Glass (12)	82	—15	— 9	—33	—11
Vitreous and Semi-Vitreous China and Pottery (12)	38	—17	—10	—31	—26
Miscellaneous (16)	54	+ 1	— 4	—13	—24
TEXTILES (42)	75	— 7	— 3	—14	— 8
Men's Clothing (15)	92	— 1	— 1	— 8	— 3
Miscellaneous (27)	65	—11	— 5	—17	—12
VEHICLES (56)	55	— 3	— 7	—29	—29
Autos and Parts (46)	60	— 3	— 7	—28	—28
Cars, Steam and Street Railway (5)	22	— 4	— 5	—27	—47
Miscellaneous (5)	41	—16	— 2	—41	—30
MISCELLANEOUS MANUFACTURING (40)	88	— 2	+ 2	—14	—10
Non-Manufacturing (77)	72	— 4	— 1	—13	—10
SERVICE (43)	98	— 2	— 2	—11	— 8
TRADE (Ret. & Whole.) (21)	72	— 8	— 2	—13	— 7
TRANSPORTATION AND PUB. UTILITIES (13)	78	— 1	0	—13	—13
Construction (162)	37	+ 1	+ 6	—41	—44
BRICK, STONE AND CEMENT WORK (12)	18	—15	+ 6	—63	—66
GEN. CONTRACTING (101)	26	+ 2	+ 5	—52	—55
PLUMBING AND STEAM-FITTING (11)	39	— 4	+ 9	—53	—47
STREET, ROAD AND SEWER WORK (22)	112	+10	+10	—11	+10
MISCELLANEOUS (16)	73	— 5	+ 2	—34	—32
All Industries (892)	64	— 3	— 2	—20	—17

* Figures in parentheses indicate number of reporting firms.

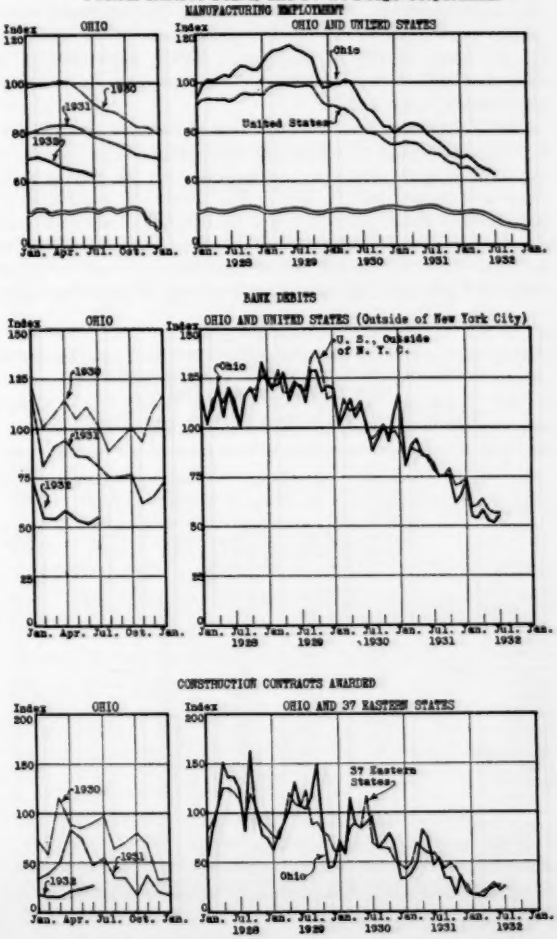
As compared with July, 1931, all the major manufacturing groups reported declines ranging from 8 per cent in the rubber products industries to 29 per cent in the machinery and vehicles industries, and amounting to 9 per cent in the chemicals industries, 10 per cent in the paper and printing industries, 11 per cent in the food products industries, 14 per cent in the textiles and miscellaneous manufacturing industries, 23 per cent in the metal products industries, 24 per cent in the lumber products industries, and 27 per cent in the stone, clay and glass products industries.

For the first 7 months of 1932 as compared with the same period of 1931, all the major manufacturing groups reported declines ranging from 7 per cent in the rubber products industries to 29 per cent in the vehicles industries, and amounting to 8 per cent in the food products and the textile products industries, 9 per cent in the chemicals and the paper and printing industries, 10 per cent in the miscellaneous manufacturing industries, 16 per cent in the lumber products industries, 21 per cent in the stone, clay and glass products industries, 22 per cent in the metal products industries, and 24 per cent in the machinery industries.

Ohio Bank Debits

Bank debits in Ohio increased 7 per cent in July from June as compared with a 5-year average July decline of 3 per cent. In the United States outside New York City,

CHART I
BUSINESS CONDITIONS IN OHIO
In Each Series Average Month 1926 Equals 100
Sources: Bureau of Business Research, U. S. Department of Labor, Federal Reserve Board, and F. W. Dodge Corporation.



bank debits remained substantially unchanged in July from June. As compared with July, 1931, bank debits in Ohio declined 32 per cent as compared with the decline of 28 per cent in the United States outside New York City, while, for the first 7 months of this year, as compared with the same period of last year, Ohio bank debits declined 37 per cent, and, for the country as a whole outside of New York City, the decline amounted to 29 per cent.

Ohio Construction Contracts Awarded

The value of construction contracts awarded in Ohio in July increased 4 per cent from June as compared with an average July decline of 1 per cent during the past 5-year period. The July gain from June in Ohio in the value of contracts awarded was not as great as the gain in the country as a whole, which amounted to 18 per cent. The June and July increases in the value of contracts awarded in Ohio have not yet been reflected to any extent in an increased volume of construction employment. The 1 per cent increase in employment in the construction industries in July was considerably less than the average July increase, and the June increase from May was only slightly greater than the average June increase.

Automobile Bill-of-Sale Registrations

New passenger automobile bill-of-sale registrations in Ohio declined 39 per cent in July from June as compared with the average July decline of 13 per cent during the past 5-year period. The total number of passenger automobile registrations in July fell 48 per cent below the total for the same month of last year. Truck registrations in July declined 41 per cent from June and were 54 per cent less than in July, 1931.

The Ford again held first position in new car sales in the 7 chief counties of the State in July, with 39.6 per cent of the total registrations as compared with 32 per cent in June and 20 per cent in May. The Chevrolet continued to hold second rank, with 19.1 per cent of total sales in July as compared with 19.8 per cent in June and 26.8 per cent in May. The Plymouth, which held second rank in April with 16.7 per cent of total registrations, dropped to third rank in May, with 17.7 per cent of the total, and retained third rank in June and July, with 14.7 per cent of the total in June and 11.3 per cent of the total in July.

TABLE II

TOTAL BILL-OF-SALE REGISTRATIONS OF FIFTEEN LEADING MAKES OF NEW PASSENGER AUTOMOBILES IN SEVEN OHIO COUNTIES*

Source: Actual Registrations Secured from National Automobile Dealers' Association

Make of Car	July, 1932 Per Cent of Total	Number of Cars		Change July, 1932 from June, 1932	Change July, 1932 from July, 1931	Total Jan.-July, 1932 Change from 1931
		June, 1932	July, 1932			
				%	%	%
Ford	39.6	1,649	1,248	— 24	— 12	— 63
Chevrolet	19.1	1,040	603	— 42	— 57	— 44
Plymouth	11.3	767	357	— 53	— 53	+124
DeSoto	3.5	188	109	— 42	— 41	+ 33
Auburn	3.2	193	99	— 49	— 20	— 59
Pontiac-Oakland	2.8	189	87	— 54	— 67	— 45
Buick	2.5	154	80	— 48	— 48	— 34
Willys	2.1	137	66	— 52	— 55	— 52
Chrysler	1.8	122	58	— 52	— 70	— 46
Essex	1.8	102	56	— 45	— 66	— 42
Dodge	1.6	90	50	— 44	— 68	— 29
Studebaker	1.3	63	42	— 33	— 71	— 46
Nash	1.3	88	41	— 53	— 78	— 41
Rockne	1.2	59	39	— 34	**	**
Graham	1.1	42	35	— 17	— 42	— 28
Group Total	94.2	4,883	2,970	— 39	—	—
All Others	5.8	311	183	— 41	—	—
Grand Total	100.0	5,194	3,153	— 39	— 48	— 42

* Cuyahoga, Franklin, Hamilton, Lucas, Mahoning, Montgomery, and Summit.
** Over 1000 per cent increase.

TABLE III

REGISTRATIONS OF NEW AUTOMOBILE BILLS OF SALE IN OHIO COUNTIES, JULY, 1932

(The Counties Listed Represent Over 80 Per Cent of the Population of Ohio)

Source: Clerks of Courts of Listed Counties

County	Passenger Cars			Trucks		
	No.	Change from June, 1932	Change from July, 1931	No.	Change from June, 1932	Change from July, 1931
		%	%		%	%
Adams	14	+ 8	— 26	0	—	—
Allen	80	— 21	—	16	— 30	—
Ashtabula	81	— 24	— 37	7	— 13	— 70
Athens	20	— 57	— 62	4	— 20	— 56
Belmont	51	— 16	— 62	8	+ 60	— 56
Brown	19	— 79	+ 19	0	—	—
Butler	114	— 21	— 23	20	+ 5	+ 67
Carroll	7	— 63	— 50	0	—	—
Champaign	45	0	+ 5	0	—	—
Columbiana	65	— 19	— 60	5	+ 25	— 74
Cuyahoga	1,133	— 41	— 51	123	— 39	— 51
Darke	23	— 56	— 50	13	+ 86	+ 18
Defiance	22	— 12	— 41	4	— 20	+ 33
Fairfield	43	— 34	— 39	2	— 75	— 85
Fayette	14	— 50	— 42	1	— 75	— 90
Franklin	446	— 32	— 35	40	— 38	—
Fulton	47	— 27	+ 18	2	0	— 33
Gallia	21	— 22	— 19	1	0	— 80
Geauga	11	— 48	—	2	— 67	—
Guernsey	40	— 38	— 30	0	—	—100
Hamilton	670	— 43	— 40	56	— 71	— 58
Hancock	20	— 64	— 68	18	+260	+200
Henry	29	— 9	— 19	4	+100	— 20
Highland	15	— 58	— 42	1	— 67	— 90
Hocking	11	— 27	— 21	3	*	+200
Huron	42	— 2	— 16	5	— 38	— 38
Jackson	27	+ 29	— 43	2	0	— 50
Jefferson	50	— 45	— 60	3	— 70	— 67
Knox	—	—	—	—	—	—
Lake	48	— 35	— 60	3	— 40	— 57
Lawrence	25	— 29	— 52	4	+ 33	— 56
Licking	47	— 43	— 33	7	— 42	— 46
Logan	24	— 33	— 37	2	— 75	— 75
Lorain	86	— 32	— 57	5	— 38	— 71
Lucas	242	— 46	— 46	26	— 33	— 54
Madison	18	— 40	— 38	3	—	— 75
Mahoning	98	— 42	— 71	13	— 7	— 70
Marion	47	+ 24	— 22	5	+ 25	— 50
Medina	31	— 47	— 45	7	— 36	— 53
Meigs	18	— 57	— 28	0	—	—
Miami	39	— 52	— 64	5	— 44	— 38
Montgomery	232	— 27	— 49	19	— 21	— 69
Morgan	5	— 50	— 55	0	—	—
Morrow	4	—	— 60	2	—	— 33
Muskingum	53	— 48	— 47	8	— 38	0
Ottawa	13	— 58	— 73	2	0	— 67
Paulding	28	+ 47	+ 27	3	— 40	0
Perry	20	— 52	— 63	4	0	— 50
Portage	34	— 23	—	30	— 66	—
Ross	30	— 56	— 62	3	— 50	— 80
Scioto	39	— 25	— 57	4	— 20	— 71
Seneca	34	— 35	— 48	4	— 43	— 64
Shelby	15	— 50	— 17	10	+900	+900
Stark	—	—	—	—	—	—
Summit	320	— 34	— 55	25	+ 4	—
Trumbull	43	— 52	— 73	9	— 10	— 44
Union	9	— 71	— 36	2	0	— 33
Van Wert	21	— 40	— 9	3	+200	0
Warren	16	— 27	— 68	0	—	—
Washington	40	— 54	— 31	4	— 33	— 56
Wayne	66	—	— 41	6	—	— 71
Williams	34	— 33	— 49	2	+100	—
Wood	26	— 57	—	—	—	—
Wyandot	16	— 24	— 50	5	+400	— 33
Actual Total	4,981	— 39	— 48	565	— 41	— 54

* No registrations in comparable period.

Industrial Consumption of Electric Power

The industrial consumption of electric power declined 3 per cent in June from May in the State as a whole. This decline, however, was no greater than the average June decline during the past 5 years. In Dayton, Toledo, and Youngstown, electric power consumption by industrial units declined, but the decline in Toledo was slightly less than the average decline for June. As compared with June, 1931, electric power consumption declined 8 per cent in the State as a whole, 21 per cent in Toledo, 23 per cent in

Dayton, and 42 per cent in Youngstown. For the first half of 1932, as compared with the same period of last year, electric power consumption by the industries of the State declined 11 per cent.

TABLE IV
INDUSTRIAL CONSUMPTION OF ELECTRIC POWER IN OHIO

Average Month 1926 Equals 100
Source: Local Power Companies

City	Index June, 1932	Change June, 1932 from May, 1932	Average Change June, from May, 1927-1931	Change June, 1932 from June, 1931	Average Jan.-June, 1932 Change from 1931
		%	%	%	%
Dayton	—	— 9	—	—23	—
Toledo	102	— 1	— 7	—21	—19
Youngstown	51	—12	— 5	—42	—29
STATE*	98	— 3	— 3	— 8	—11

* Total power production from *U. S. Geological Survey.*

Hotel Business in Ohio

Occupancy in Ohio hotels in July declined to 37.6 per cent of capacity from 44.8 per cent in June, a decline of 15.9 per cent for the month. The average rate per room declined from $2.67 to $2.59 in July, a decline of 3.2 per cent. The decline in both room occupancy and the average rate per room resulted in a decline of 18.7 per cent in the index of room receipts. Food receipts in July were 19.4 per cent less than in June. As compared with July, 1931, room receipts declined 42.4 per cent and food receipts, 37.3 per cent, while for the first 7 months of 1932 room receipts dropped 29.2 per cent and food receipts, 28.1 per cent.

TABLE V
INDICES OF BUSINESS IN OHIO HOTELS

Based on Average Daily Values, 1929 Equals 100
Source: Individual Reports

Item	June, 1932	July,* 1932	Percentage Change: July, 1932 from June, 1932	July, 1932 from July, 1931	Jan.-July, 1932 from Jan.-July, 1931
Per Cent of Rooms Occupied	44.8	37.6	—15.9	—27.9	—18.3
Avg. Rate per Room	$2.67	$2.59	— 3.2	—19.4	—12.7
	Index	Index			
Room Receipts	55.2	44.9	—18.7	—42.4	—29.2
Food Receipts	42.1	34.0	—19.4	—37.3	—28.1

* Subject to revision.

Agricultural Income in Ohio

Agricultural income from 6 important sources in Ohio showed a slight increase in July from June due largely to more stable and slightly increasing prices in some commodities, notably meat animals, grains, and potatoes. The gross cash income in July of this year, however, was 24 per cent less than in the corresponding month of last year, and the average gross income for the first 7 months of 1932 has experienced a shrinkage of 30 per cent from the corresponding period of last year. The July increase from June in gross income was caused primarily by increases in the meat animals, the grains, and the potatoes groups, although there was a slight increase in the poultry and eggs group also. Further declines were experienced in the dairy products and the wool groups. Although the percentage increase from June in the grains group was substantial, it was, nevertheless, below the average July increase during the past 5-year period. The increase in the potatoes group, however, was substantially greater than the average July increase, and the 6 per cent increase in the meat animals group was in contrast with an average July decline of 12 per cent during the past 5 years.

As compared with July, 1931, only the wool group showed an increase in gross cash income. The declines in the other groups amounted to 17 per cent in the grains group, 19 per cent in the potatoes group, 20 per cent in the meat animals group, 24 per cent in the poultry and eggs group, and 32 per cent in the dairy products group. For the first 7 months of this year, as compared with the same period of last year, no group experienced an increase in gross cash income, but the decline in the grains group amounted to only 1 per cent. In the other groups, however, the declines ranged from 25 per cent in the potatoes group to 64 per cent in the wool group, and amounted to 27 per cent in the dairy products and the poultry and eggs groups, and 34 per cent in the meat animals group.

TABLE VI
GROSS CASH AGRICULTURAL INCOME IN OHIO, JULY, 1932

(Average of the 60 Months 1924-28 Equals 100)
Source: Department of Rural Economics, Ohio Agricultural Experiment Station

Commodity	(*) Index July, 1932	Change July, 1932 from June, 1932	Average Change July from June, 1927-1931	Change July, 1932 from July, 1931	Average Jan.-July, 1932 Change from 1931
		%	%	%	%
Meat Animals	36	+ 6	— 12	— 20	— 34
Dairy Products	46	— 13	— 7	— 32	— 27
Grains	50	+138	+175	— 17	— 1
Poultry and Eggs	47	+ 2	— 11	— 24	— 27
Potatoes	17	+143	+ 78	— 19	— 25
Wool	53	— 34	— 79	+ 4	— 64
Tobacco	—	—	—	—	—
TOTAL	41	+ 8	— 1	— 24	— 30

* Preliminary estimate and subject to later revision.

Building Occupancy in Six Ohio Cities

Building occupancy as indicated by the number of gas meters in use declined slightly in June from May in 6 Ohio cities, and was considerably less than in June, 1931, in all of the cities except Akron, which showed a slight increase. For the first half of 1932 as compared with the same period of 1931, building occupancy declined in all of the cities except Akron, which showed an increase of 0.4 of 1 per cent. The declines in the other cities amounted to 1 per cent in Columbus, 2.3 per cent in Cleveland, 3.2 per cent in Cincinnati, 3.4 per cent in Canton, and 3.9 per cent in Youngstown.

TABLE VII
BUILDING OCCUPANCY IN SIX OHIO CITIES
(As Indicated by Number of Gas Meters in Use)

Average Month 1926 Equals 100
Source: Local Gas Companies

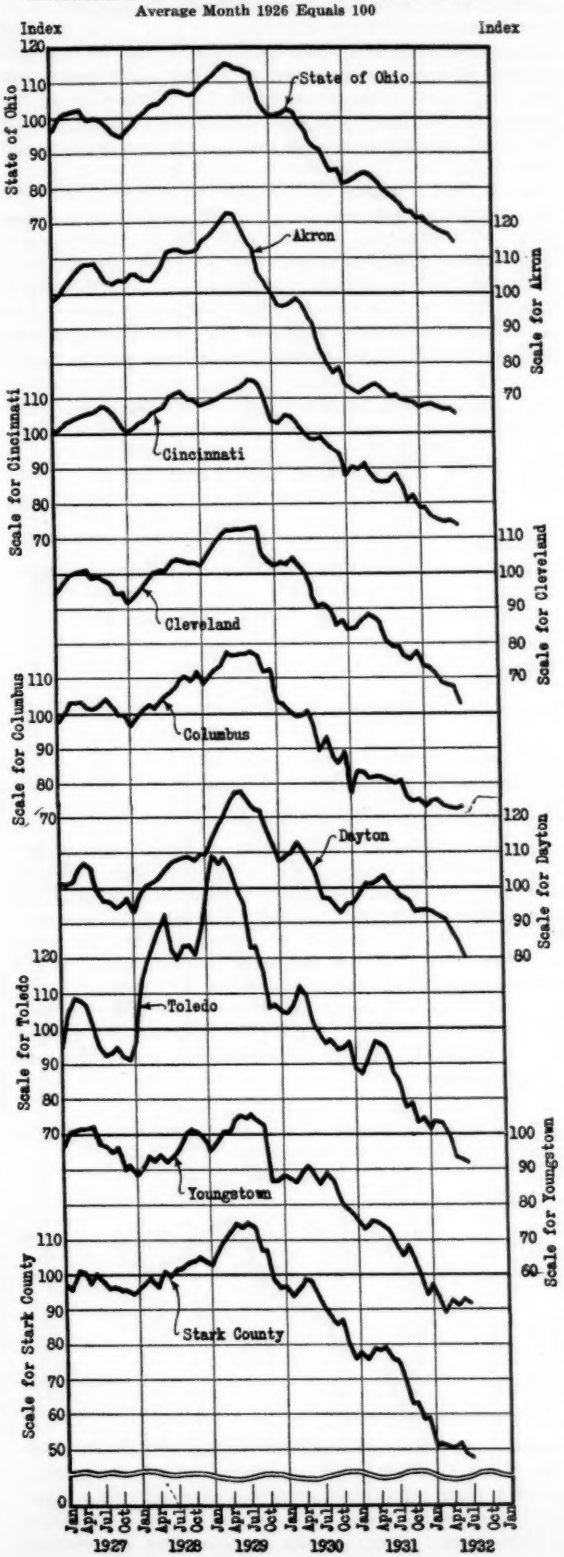
City	Index June, 1932	Change June, 1932 from May, 1932	Average Change June from May, 1927-1931	Change June, 1932 from June, 1931	Average Jan.-June, 1932 Change from 1931
		%	%	%	%
Akron	118.4	—0.3	—0.2	+0.9	+0.4
Canton	99.2	—1.6	—0.3	—3.7	—3.4
Cincinnati*	94.9	—1.4	—	—5.6	—3.2
Cleveland	99.6	—1.2	—0.5	—2.7	—2.3
Columbus	109.3	—0.9	0.0	—2.0	—1.0
Youngstown	109.2	—0.5	—0.1	—3.6	—3.9

* Average month 1931 = 100.

Summary of Business Conditions in Ohio Cities

Of the 8 chief cities of the State, Columbus alone reported a slight increase in employment in July from June. The 1 per cent decline in Toledo and the 2 per cent decline in Youngstown were both slightly less than the average

CHART II
INDUSTRIAL EMPLOYMENT IN OHIO AND OHIO CITIES
Average Month 1926 Equals 100



July decline during the past 5 years, indicating slight improvement in employment when corrected for seasonal variation. In the other chief cities, however, the July declines were either greater than the average July decline or in contrast with an average increase. The declines in these cities ranged from 2 per cent in Akron, Cincinnati, and Canton, to 7 per cent in Cleveland, and amounted to 5 per cent in Dayton. As compared with July, 1931, total employment declined in all the chief cities of the State, the declines ranging from 9 per cent in Columbus to 37 per cent in Stark County, in which Canton is the principal city, and amounting to 10 per cent in Akron, 16 per cent in Cincinnati, 20 per cent in Dayton, 22 per cent in Cleveland, 24 per cent in Youngstown, and 29 per cent in Toledo.

Manufacturing employment declined in all of the chief cities except Columbus, which reported a gain of 3 per cent in contrast with an average July decline of 2 per cent during the past 5 years. The July declines in manufacturing employment in Akron, Toledo and Youngstown were relatively small and were less than or equal to the average July declines during the past 5 years. In the other cities, however—Cincinnati, Cleveland, Dayton and Canton—the July employment declines were slightly larger and were either greater than the average July declines or in contrast with an average increase.

Non-manufacturing employment in July declined in all the chief cities of the State. In Toledo, Youngstown and Stark County the declines were no greater than the aver-

TABLE VIII
SUMMARY OF BUSINESS CONDITIONS IN OHIO CITIES
JULY, 1932

City	Change July, 1932 from June, 1932	Average Change July, from June, 1927-31	Change July, 1932 from July, 1931	Change July, 1932 from June, 1932	Average Change July, from June, 1927-31	Change July, 1932 from July, 1931
	Industrial Employment			Manufacturing Employment		
	%	%	%	%	%	%
Akron	— 2	— 1	—10	— 1	— 1	— 9
Canton	— 2	— 1	—37	— 3	— 1	—38
Cincinnati	— 2	+ 1	—16	— 2	0	—19
Cleveland	— 7	— 3	—22	— 6	— 3	—23
Columbus	+ 1	— 1	— 9	+ 3	— 2	—10
Dayton	— 5	— 3	—20	— 6	— 4	—20
Toledo	— 1	— 5	—29	— 1	— 5	—32
Youngstown	— 2	— 3	—24	— 2	— 4	—25
Other than 8 Cities	— 3	— 2	—21	— 3	— 3	—22
STATE	— 3	— 2	—20	— 3	— 3	—20
City	Construction Employment			Passenger Automobile Bills of Sale Filed		
Akron	—21	+ 8	—58	—34	—14	—55
Canton	+16	+ 6	—51	—	—	—
Cincinnati	+11	+ 4	—40	—43	—10	—40
Cleveland	—17	+ 5	—50	—41	—11	—51
Columbus	—18	+16	—34	—32	— 6	—35
Dayton	+24	+10	—62	—27	—14	—49
Toledo	+27	+ 8	—49	—46	—19	—46
Youngstown	+45	+ 6	—61	—42	—15	—71
Other than 8 Cities	+ 3	+ 8	—25	—37	— 9	—47
STATE	+ 1	+ 6	—41	—39	—13	—48
City	Bank Debits			Value of Construction Contracts Awarded*		
Akron	— 1	0	—36	—34	—35	—83
Canton	+ 8	— 3	—47	—86	+40	—94
Cincinnati	+ 8	— 5	—22	+65	— 3	—66
Cleveland	+14	— 4	—32	+82	+29	—78
Columbus	— 2	— 3	—28	+59	+20	+116
Dayton	+ 4	+ 1	—43	—34	—62	—80
Toledo	— 2	+ 1	—42	+89	+30	—30
Youngstown	— 8	0	—57	+16	—24	—74
Other than 8 Cities	+ 1	— 2	—35	—13	+ 2	—40
STATE	+ 7	— 3	—32	+ 4	— 1	—49

* From F. W. Dodge Corporation.

age July declines, but in all other cases were somewhat greater than the average.

Construction employment in July increased more than average in Cincinnati, Dayton, Toledo, Youngstown and Canton. The declines in construction employment in Akron, Cleveland and Columbus were in contrast with substantial gains in July during the past 5-year period.

The value of construction contracts awarded in Ohio in July increased 4 per cent from June as compared with an average July decline of 1 per cent in the past 5-years. July increases in the value of contracts awarded occurred in Cincinnati, Cleveland, Columbus, Toledo, and Youngstown. Declines for the month were reported by Akron, Canton, and Dayton. In the 5 cities to show an increase in July, the increase was either substantially greater than the average July increase or in contrast with an average July decline. In Akron, the July decline was slightly less than the average July decline, and in Dayton, substantially less. A decline in Canton, however, was in contrast with an average July increase. As compared with July, 1931, Columbus alone reported an increase. In the other chief cities the declines from July of last year ranged from 30 per cent in Toledo to 94 per cent in Canton, and amounted to 66 per cent in Cincinnati, 78 per cent in Cleveland, 80 per cent in Dayton, 83 per cent in Akron, and 94 per cent in Canton.

Bank debits increased in July from June in Canton, Cincinnati, Cleveland, and Dayton, but declined in Akron, Columbus, Toledo, and Youngstown. The increase in Dayton was substantially greater than the average July increase, and the increases in the other 3 cities were in contrast with average July declines during the past 5 years. As compared with July, 1931, bank debits declined in all the chief cities, the declines ranging from 22 per cent in Cincinnati to 57 per cent in Youngstown, and amounting to 28 per cent in Columbus, 32 per cent in Cleveland, 36 per cent in Akron, 42 per cent in Toledo, 43 per cent in Dayton, and 47 per cent in Canton.

Passenger automobile bill-of-sale registrations declined 39 per cent in July from June in the State as compared with an average July decline of only 13 per cent. Automobile registrations declined also in all of the chief cities of the State and in all cases the July decline this year was greater than the average July decline during the past 5 years. The July declines ranged from 27 per cent in Dayton to 46 per cent in Toledo, and amounted to 32 per cent in Columbus, 34 per cent in Akron, 41 per cent in Cleveland, 42 per cent in Youngstown, and 43 per cent in Cincinnati. As compared with July, 1931, the decline in registrations of passenger automobiles ranged from 35 per cent in Columbus to 71 per cent in Youngstown.

The Trend of Business

Construction Contracts Awarded

Construction activity in the United States, based on the value of contracts awarded, increased 18 per cent in July from June in contrast with an average July decline of 10 per cent during the past 5-year period. The July increase from June in the value of contracts awarded resulted from the contra-seasonal increases in both building and public works and utilities awards. In the building group, factories and miscellaneous building accounted for the bulk of the increase, both commercial and educational building having continued to show substantial declines. Although the percentage increase in contracts awarded for factories building was substantial, the actual amount was relatively insignificant. The 27 per cent increase in public works contracts was substantially greater than the average July increase of 4 per cent.

As compared with July, 1931, the value of total construction declined 53 per cent. Building contracts for this same period declined 58 per cent and public works and utilities contracts, 47 per cent. For the first 7 months of 1932, as compared with the same period of 1931, the value of all contracts awarded fell 62 per cent. For this same period the value of building contracts awarded declined 60 per cent, and of public works and utilities contracts, 63 per cent.

The July increase from June in the value of contracts awarded was experienced in only 7 of the 13 chief districts however. The gains in these 7 districts ranged from 9 per cent in the Pittsburgh District to 150 per cent in the Texas District. In all 7 districts to report an increase, the increases were in contrast with average July declines during the past 5-year period. In the other 6 districts the declines in July from June ranged from 3 per cent in the New England District to 34 per cent in Metropolitan New York and Vicinity, and amounted to 8 per cent in the New Orleans Territory, 9 per cent in Upstate New York, 14 per cent in the Chicago Territory, and 27 per cent in the Southeastern Territory. Except in the New Orleans Territory, the July declines were either greater than the average July decline or in contrast with an average July increase during the past 5 years. In the New Orleans Ter-

TABLE IX

DAILY AVERAGE VALUE OF CONSTRUCTION CONTRACTS AWARDED IN 37 EASTERN STATES BY TYPES AND BY DISTRICTS

(In Hundreds of Dollars)

Source: F. W. Dodge Corporation

Type and District	July, 1932	Change July, 1932 from June, 1932	Average Change July, from June, 1927-1931	Change July, 1932 from July, 1931	Total Jan.-July, 1932 Change from 1931
TOTAL CONSTRUCTION....	$51,507	% + 18	% — 10	% — 53	% — 62
By Types					
Total Building.....	27,489	+ 14	— 10	— 58	— 60
Residential.....	7,896	— 11	— 12	— 68	— 67
Non-Residential....	19,593	+ 28	— 7	— 51	— 55
Commercial.....	3,303	— 34	+ 3	— 70	— 61
Educational.....	2,549	— 7	— 7	— 75	— 64
Factories.....	1,405	+ 73	+ 2	— 65	— 70
Miscellaneous....	12,336	+ 82	— 12	— 19	— 39
Pub. Works and Util..	24,018	+ 25	— 6	— 47	— 63
Public Works.....	21,824	+ 27	+ 4	— 38	— 59
Public Utilities.....	2,194	+ 2	— 29	— 78	— 78
By Districts					
New England.....	4,080	— 3	— 2	— 63	— 63
Metropolitan New York and Vicinity..	4,747	— 34	— 13	— 78	— 75
Upstate New York...	3,089	— 9	+ 11	— 44	— 60
Middle Atlantic.....	10,946	+ 74	— 9	— 30	— 36
Pittsburgh.....	5,758	+ 9	— 7	— 53	— 62
Chicago Territory....	4,925	— 14	— 11	— 63	— 58
Southern Michigan...	1,266	+ 37	— 8	— 58	— 58
Central Northwest...	3,757	+ 60	— 9	+ 25	— 38
St. Louis Territory...	4,706	+121	— 20	+ 34	— 46
Kansas City Territory	3,075	+ 89	— 8	— 44	— 64
Texas.....	2,467	+150	— 24	— 22	— 73
New Orleans Ter.....	978	— 8	— 32	— 85	— 83
Southeastern Ter.....	1,713	— 27	— 3	— 68	— 59

ritory, the 8 per cent decline was considerably less than the 5-year average decline of 32 per cent.

As compared with July, 1931, the Central Northwestern District and the St. Louis Territory reported increases of 25 per cent and 34 per cent, respectively, in the value of contracts awarded. In all other districts substantial declines occurred ranging from 22 per cent in the Texas District to 85 per cent in the New Orleans Territory. For the first 7 months of 1932 as compared with the same period of 1931, all districts recorded declines. The declines for the 7 months ranged from 36 per cent in the Middle Atlantic District to 83 per cent in the New Orleans Territory, and amounted to more than 50 per cent in the New England District, Metropolitan New York and Vicinity, Upstate New York, the Pittsburgh District, the Chicago Territory, the Southern Michigan District, the Kansas City Territory, the Texas District, and the Southeastern Territory.

Banking and Credit Conditions

The Federal Reserve banks continued the emphasis on easy money in July, but the security-buying movement of the banks proceeded at a more leisurely pace. July purchases were smaller than those of June which in turn were smaller than May. Interest rates on all maturities eased substantially in July. Call money on August 6 at 2 per cent represented a decline of 20 per cent from the corresponding date of July, and 60-90 day commercial paper at 2.13 per cent, a decline of 19 per cent. Time money (4-6 months) at 1.25 per cent was 17 per cent below the corresponding date of July. During the past 5 years, July has averaged an increase on all maturities from June.

Bank loans and investments, except in government securities, continued to decline throughout the month. At the beginning of August, reporting member-bank loans on securities, as well as "all other loans," had each declined 2 per cent from the corresponding date of the previous month, following a decline of 3 per cent in June from May. The 2 per cent decline in July from June in "all other loans," representing primarily loans for business and industrial expansion, was in contrast with an average June stability for this type of loan during the past 5-year period, and the total volume of such loans on August 3 was 20 per cent below the total on the corresponding date of last year. "All other investments," representing the employment of bank surpluses in commercial and industrial enterprises largely through the purchase of bonds and securities, declined 1 per cent in July, and the total amount of such investments was 12 per cent below the amount on the corresponding date of last year.

The increase in bank failures during June and July was accompanied by another wave of hoarding which carried the index of money in circulation to a new high record. The amount of money in circulation on August 3 was 1 per cent greater than on the corresponding date of the previous month although during the past 5 years there has usually been a decline of 1 per cent for this period. During the week ending August 11, however, there was a contraction of more than $20 million in money in circulation. The fairly sharp expansion of circulation in July was accompanied by a slight expansion in member-bank borrowing at the reserve banks which increased 4 per cent in July as compared with an average July decline of 8 per cent. Banks continued to be the chief market for government bonds during July when member banks increased the holdings by about 6 per cent.

The cessation of gold exports during June and July and the slight increase of gold imports resulted in an increase in gold reserves.

TABLE X
BANKING CONDITIONS
(All Dollar Values in Millions of Dollars)
Sources: Federal Reserve Board and Journal of Commerce

Item	Latest Data	Change from Corresponding Period of Previous Month	Av. Change from Corresponding Period of Previous Month, 1927-31	Change from Corresponding Period of Previous Year	Year to Date Change from Corresponding Period of Previous Year
INDEX OF BANK DEBITS*, July, 1932:		%	%	%	%
Ohio	55	+ 7	— 3	— 32	— 37
United States outside of New York City	57	0	— 6	— 28	— 29
New York City	44	— 11	— 16	— 38	— 40
INTEREST RATES: August 6, 1932:					
Call Money	2.00%	— 20	+ 3	+ 33	+ 65
Commercial Paper (60-90 days)	2.13%	— 19	+ 7	+ 7	+ 37
Time Money (4-6 months)	1.25%	— 17	+ 4	— 17	+ 26
New York Federal Reserve Rediscount Rate	2.50%	0	+ 4	+ 67	+ 71
FEDERAL RESERVE BANK ITEMS—August 3, 1932:					
Investment in U. S. Securities	$1,846.1	+ 3	+ 4	+171	+ 93
Bills Bought in Open Market	40.7	— 36	— 12	— 38	— 30
Member Banks Rediscounts	487.2	+ 4	— 8	+158	+235
Reserve Ratio	57.2%	0	+ 2	— 32	— 38
LOANS TO BROKERS August 3, 1932:					
(New York City)	$ 332	— 3	+ 1	— 75	— 72
REPORTING MEMBER BANK ITEMS—August 3, 1932:					
Loans on Securities	4,631	— 2	— 1	— 29	— 27
Loans, All Others	6,365	— 2	0	— 20	— 15
Investments, U. S. Govt. Securities	4,488	+ 6	0	+ 9	+ 9
Investments, All Others	3,212	— 1	— 1	— 12	— 13
Reserves with Federal Reserve Banks	1,558	— 2	— 3	— 11	— 14
Cash in Vault	202	— 16	— 7	— 8	— 5
Net Demand Deposits	10,751	— 2	— 1	— 20	— 19
Time Deposits	5,612	+ 1	0	— 21	— 21
Government Deposits	361	+ 6	— 47	+178	+147
MONEY IN CIRCULATION, August 3, 1932	5,728	+ 1	— 1	+ 18	+ 19

* Average month 1926 = 100.

Iron and Steel

Both pig iron and steel production established new all-time lows in July. The average daily pig iron production for the United States declined 12 per cent from June an average daily steel production, 8 per cent. Steel operations in July averaged only 14 per cent of capacity for the month and pig iron operations, 13 per cent of capacity. Only 46 of the 297 stacks of the country were in blast on the last day of July. During the past 5 years, pig iron production in July has averaged a decline from June amounting to 5 per cent in Ohio and 8 per cent in the United States. Thus, the 12 per cent decline in both Ohio and the United States was considerably more than the average July decline.

Although finished steel prices remained substantially unchanged in July from June, pig iron prices and scrap prices exhibited considerable weakness, the latter declining 6 per cent. The renewed price weakness reflects the virtual absence of demand for iron and steel products to date. The rising tide of optimism has not yet been buttressed by increased tonnage requirements from automobile, railroad or building industry.

The unfilled orders of the United States Steel Corporation declined more than 3 per cent in July from June as

compared with the average July decline of 1 per cent. Unfilled orders in July of this year were 42 per cent less than July, 1931, and for the first 7 months of 1932 fell 39 per cent below the corresponding period of last year. The first two weeks in August witnessed further shrinkage in unfilled orders.

TABLE XI
IRON AND STEEL CONDITIONS
Sources: *Steel* and *Iron Age*

Item	July, 1932	Change July, 1932 from June, 1932	Average Change July, from June, 1927-31	Change July, 1932 from July, 1931	Average Jan.-July, 1932 Change from 1931
PRICES:		%	%	%	%
Pig Iron (per ton)..	$ 13.76	— 2	— 1	— 12	— 9
Finished Steel (per lb.)	.01976*	0	0	— 2	— 3
Scrap-Heavy Melting Steel (per gross ton)	6.46	— 6	— 1	— 30	— 26
UNFILLED ORDERS, U. S. STEEL CORP.: (Tons)	1,966,302	— 3	— 1	— 42	— 39
OPERATIONS:					
Av. Daily Pig Iron Prod. (tons):					
Ohio	5,274	— 12	— 5	— 53	— 47
United States	18,461	— 12	— 8	— 61	— 55
Average U. S. Daily Steel Production: (Tons)	31,701	— 8	— 6	— 56	— 51

* Change from .02087 in June to .01976 in July is due to a change (addition of hot-rolled strip steel) in the base of the composite price.

Automobile Production

The production of passenger automobiles in the United States was slightly greater in June than in May, the increase amounting to 2 per cent as compared with a 5-year average June decline of 18 per cent. The total volume of passenger cars produced in June, however, was 24 per cent less than in June, 1931, while the total for the first 6 months of this year fell 44 per cent below that for the corresponding period of last year. Truck production in the United States in June was 14 per cent less than in May, a decline slightly greater than the average June decline of 12 per cent. The volume of trucks produced in June of this year was 43 per cent below June, 1931, and the total volume for the first half of this year was 45 per cent below the total for the same period of last year.

Although General Motors' sales to consumers in the United States declined 10 per cent in June from May, this decline was slightly less than the average decline in June during the past 3 years, and the 23 per cent decline in sales to dealers in the United States was no greater than the average June decline. Total sales to dealers in the United States and foreign countries combined, however, declined 21 per cent in June from May, which was somewhat greater than the average June decline of only 16 per cent. As compared with June, 1931, General Motors' sales to consumers in the United States declined 45 per cent; to dealers in the United States, 54 per cent; and to dealers in the United States and foreign countries combined, 53 per cent.

TABLE XII
AUTOMOBILE PRODUCTION IN THE UNITED STATES AND CANADA, AND GENERAL MOTORS' SALES
Sources: U. S. Department of Commerce and General Motors' Corporation

Group	June, 1932	Change June, 1932 from May, 1932	Average Change June, from May, 1927-31	Change June, 1932 from June, 1931	Total Jan.-June, 1932 Change from 1931
PASSENGER CAR PRODUCTION:		%	%	%	%
United States	160,103	+ 2	— 18	— 24	— 44
Canada.....	6,308	— 13	— 34	+ 13	— 37
U. S. and Canada..	166,411	+ 1	— 19	— 23	— 44
TRUCK PRODUCTION:					
United States	22,754	— 14	— 12	— 43	— 45
Canada	804	— 16	— 25	— 36	— 53
U. S. and Canada..	23,558	— 14	— 13	— 43	— 45
GENERAL MOTORS' SALES:					
To Consumers, U.S.	56,987	— 10	— 17*	— 45	— 42
To Dealers, U.S....	46,148	— 23	— 23*	— 54	— 45
To Dealers, U.S. and Foreign	52,561	— 21	— 16	— 53	— 45

* Three-year average change June from May, 1929-1931.

The automobile production records for July indicate a substantial decline from June, so that it now appears that the peak of automobile production for this year was probably attained in June, when output was only slightly greater than in May.

The Stock Market

Although during the first 2 weeks of July stock market averages remained close to the level of June, there was a general advance during the last 2 weeks of the month which was accelerated during the first week in August, so that by August 8 the average had risen to about the May high point on a rather substantial volume of trading. Financial, psychological, political and technical factors rather than tangible evidence of real business improvement must be credited with the bulk of this rise. All stocks have been included in the advance to some extent, but the rails and the motors stocks have made the least impressive advance.

On August 3, the index of 421 stocks combined had increased 12.1 points from June 29, and the index of 351 industrials, 12 points. Thirty-seven utilities recorded a gain of 16.5 points during the same period, but the gain of 33 rails stocks was only 8.1 points.

TABLE XIII
INDEXES OF COMMON STOCK PRICES
Source: Standard Statistics Company

Groups	Aug. 3, 1932	Change in Points from June 29, 1932	1932 Range	
			High	Low
421 Stocks Combined	44.9	+ 12.1	60.7	32.5
351 Industrials	44.4	+ 12.0	57.2	31.9
33 Rails	21.2	+ 8.1	38.6	13.0
37 Utilities	69.4	+ 16.5	99.7	52.9

Retail Trade

The report of the Federal Reserve Board on the sales of 517 department stores located in 233 cities of the United States showed a decline of 30 per cent in sales in July as compared with July of last year, and of 24 per cent for the first 7 months of this year as compared with the same period of 1931. The July sales decline was experienced in all the Federal Reserve districts and ranged from 27 per cent in the Boston and Minneapolis districts to 35 per cent in the Cleveland District, and amounted to 28 per cent in the Philadelphia, the Richmond and the Kansas City districts, 29 per cent in the San Francisco District, 30 per cent in the New York District, 31 per cent in the Chicago and St. Louis districts, and 32 per cent in the Atlanta and Dallas districts. Likewise, for the first 7 months of 1932 as compared with the same period of 1931, declines in department store sales occurred in all the districts, amounting to 20 per cent in the Richmond District, 21 per cent in the Philadelphia District, 22 per cent in the Boston,

New York and Minneapolis districts, 23 per cent in the St. Louis and Kansas City districts, 25 per cent in the San Francisco District, 26 per cent in the Atlanta District, 27 per cent in the Cleveland and Chicago districts, and 29 per cent in the Dallas District.

The Bureau's preliminary index of dry goods sales in Ohio for July showed a decline of 26.1 per cent from June as compared with the average July decline of 14.7 per cent during the past 5-year period. Dry goods sales in July were 30.3 per cent less than in July, 1931, and for the first 7 months of 1932 were 27.6 per cent below the corresponding period of last year.

Profits of Corporations

The profits of 319 corporations declined 60 per cent during the first half of 1932 from the corresponding period of 1931. For the 272 industrial corporations included in this group, the decline in profits for the first half of 1932 as compared with last year amounted to 86 per cent, while for the 24 utilities the decline amounted to only 16 per cent. In the case of 23 railroads, however, a deficit of more than $3 million was incurred. In 10 of the 25 groups of corporations shown in Table XIV, deficits were reported for the first half of 1932. In 22 iron and steel groups, including the United States Steel Corporation, the deficit for the first half of the year amounted to more than $65 million; and in 21 iron and steel corporations, excluding United States Steel, to more than $31 million. The deficit in 13 automobile and truck corporations, excluding General Motors, amounted to more than $10 million.

An independent report of the National City Bank shows the net profits of 250 corporations to have declined 87.1 points during the first half of 1932 from the corresponding period of 1931. The annual rate of return on the investments of these 250 corporations averaged only 0.8 of

TABLE XIV
PROFITS OF CORPORATIONS, FIRST HALF, 1932
(In Thousands of Dollars)
Source: Standard Statistics Company

Group	1932	1931	Per Cent Change from 1931
Advertising, Printing, and Pub. (8)*.	$ 6,165	$ 10,007	— 38
Automobiles and Trucks (14).....	4,683	90,395	— 95
Automobiles and Trucks, excluding General Motors (13).....	d10,336	6,273	—
Automobile Parts and Tires (24).....	2,280	15,247	— 85
Building, Real Estate, and Related Lines (15))	d6,618	3,339	—
Chemicals and Fertilizer (14).....	26,149	48,067	— 46
Coal, Anthracite and Bituminous (7).	d1,023	1,242	—
Electrical Equipment and Radio (6)..	3,458	19,276	— 82
Food Products (26).....	48,551	67,797	— 28
Household Products and Supplies (11)	d656	7,243	—
Leather and Shoes (8).....	3,342	6,717	— 50
Machinery, Industrial and Agr. (13)..	d5,513	2,164	—
Medicines, Drugs, and Cosmetics (5)..	3,959	5,385	— 27
Metals, Non-Ferrous (8).....	d2,986	d1,740	—
Miscellaneous Securities (36).....	9,490	15,066	— 37
Office and Business Equipment (3)...	3,563	5,063	— 30
Oil Producing and Refining (21).....	14,307	d13,830	—
Paper and Paper Products (6).....	d184	1,779	—
Railroads (23)	d3,709	36,259	—
Railroad Equipment (4).....	946	3,462	— 73
Retail Trade (8).....	d1,235	4,951	—
Shipping and Shipbuilding (1).....	d319	d3	—
Steel and Iron (22).....	d65,386	18,239	—
Steel and Iron, excluding U.S. Steel(21)	d31,715	4,083	—
Textiles and Apparel (7).....	d1,082	814	—
Tobacco and Tobacco Products (5)....	727	1,385	— 48
Utilities—Electric, Gas, Telephone, Telegraph, and Tractions (24).....	189,163	225,348	— 16
Total (319)	$228,172	$ 573,672	— 60
Industrials (272)	$ 42,718	$ 312,065	— 86
Railroads (23)	d3,709	36,259	—
Utilities (24)	189,163	225,348	— 16

* Figures in parentheses indicate the number of firms included.
d Deficit.

TABLE XV
INDUSTRIAL CORPORATION PROFITS, FIRST HALF 1932
(In Thousands of Dollars)
Source: National City Bank Bulletin

Industry	No. of Firms	Net Profits* First Half		Net Worth**		Annual Rate of Return*** Per Cent	
		1932	Per Cent Change from 1931	Jan. 1, 1932	Per Cent Change from Jan. 1, 1931	1931	1932
Amusements.....	3	$ 6,337	—31.5	$ 99,207	— 0.5	18.6	12.8
Automobiles— General Motors.....	1	15,019	—82.5	923,803	— 4.4	17.8	3.2
Automobiles— Other.....	10	d7,038	—	392,319	— 4.5	3.4	—
Auto Accessories.....	16	d3,180	—	183,287	— 7.1	7.8	—
Baking.....	6	13,861	—17.3	284,290	— 1.7	11.6	9.8
Building Materials.....	6	d4,961	—	135,083	—13.5	—	—
Chemicals.....	18	25,972	—45.5	971,559	— 6.0	9.2	5.3
Coal Mining.....	7	d1,197	—	99,479	— 3.0	2.3	—
Drugs and Sundries.....	7	4,824	—75.7	225,074	— 0.6	17.5	4.3
Electrical Equipment.....	10	603	—96.6	734,463	— 3.9	4.7	0.2
Food Products—Misc.....	20	33,697	—30.1	651,108	— 4.2	14.2	10.4
Household Goods.....	9	d2,644	—	115,758	—10.2	1.8	—
Iron and Steel— U. S. Steel.....	1	d36,671	—	2,003,693	— 2.7	1.4	—
Iron and Steel— Other.....	19	d24,777	—	1,447,953	— 4.2	0.3	—
Machinery.....	8	d657	—	178,275	— 6.2	6.3	—
Merchandising.....	9	d805	—	316,833	— 9.4	3.5	—
Mining Non-Ferrous.....	10	d1,873	—	211,983	— 2.5	1.2	—
Paper Products.....	7	291	—87.4	116,234	— 0.8	3.9	0.5
Petroleum	10	5,576	(x)	578,850	— 5.3	—	1.9
Railway Equipment.....	4	d1,694	—	125,849	— 7.3	—	—
Realty.....	3	183	—89.5	80,694	— 8.0	4.0	0.5
Restaurant Chains.....	4	801	—67.9	55,861	— 2.1	8.7	2.9
Rubber Manufacturing.....	3	1,648	—32.3	137,524	— 9.7	3.2	2.4
Shoes.....	4	3,722	—45.5	162,022	— 8.3	7.7	4.6
Textiles.....	8	d422	—	79,928	— 5.1	4.0	—
Tobacco (cigars).....	5	737	—46.7	53,577	— 7.5	4.8	2.8
Miscellaneous.....	47	15,593	—43.2	527,034	— 5.0	9.9	5.9
TOTAL.....	250	$ 42,950	—87.1	$10,891,740	— 4.6	5.8	0.8

d Deficit.
(x) Deficit during first half 1931.
* Net profits are shown after depreciation, interest, taxes, and other charges and reserves, but before dividends.
** Net worth includes book value of outstanding preferred and common stock and surplus account at beginning of each year.
*** In each year, the annual rate of return is obtained by multiplying the six months' profits of that year by 2 and dividing the result by the net worth on January 1 of that year.

1 per cent during the first half of 1932 as compared with 5.8 per cent during the corresponding period of 1931. In 10 of the 25 groups of corporations listed in Table XV, deficits occurred. In the corporations reporting net profits, the annual rate of return on investment varied from 0.2 of 1 per cent in 10 electrical equipment corporations to 12.8 per cent in 3 amusement corporations. Twenty miscellaneous food products corporations reported an annual rate of return amounting to 10.4 per cent, and 6 backing corporations, to 9.8 per cent. Earnings amounting to around 5 per cent on investment were reported by 13 chemicals corporations, 47 miscellaneous corporations, and 4 shoe corporations.

Wholesale Prices

The rise in the wholesale commodity index during the last 2 weeks of June was continued throughout July so that the all-commodity index on August 2 was almost 2 points higher than on June 28. The bulk of the rise continued to be in farm products and food products, textile prices having moved upward only fractionally, while fuels which showed a substantial gain in June declined 1.5 points during July. As compared with August 4, 1931, wholesale prices were substantially lower in all groups except the fuels group where an increase of 23.9 points was registered. The declines in the other groups ranged from 1.6 points in the chemicals group to 26.7 points in textile products, and amounted to 5.9 points in the metal products group, 7.9 points in the building materials group, 14.3 points in the food products group, 15 points in the miscellaneous group, and 17.1 points in the farm products group.

TABLE XVI

INDICES OF U. S. WHOLESALE PRICES BY COMMODITY GROUPS—AUGUST 2, 1932

Average Month 1913 Equals 100

Source: The Annalist

Commodities	Index June 28, 1932	Index Aug. 2, 1932	Change in Points from June 28, 1932	Change in Points from Aug. 4, 1931
Farm Products	68.1	71.4	+ 3.3	—17.1
Food Products	93.3	97.4	+ 4.1	—14.3
Textile Products	66.1	66.4*	+ 0.3	—26.7
Fuels	145.4	143.9	— 1.5	+23.9
Metals	96.0	95.8	— 0.2	— 5.9
Building Materials	107.2	106.7	— 0.5	— 7.9
Chemicals	96.0	95.0	— 1.0	— 1.6
Miscellaneous	79.6	79.4	— 0.2	—15.0
ALL COMMODITIES...	90.6	92.5	+ 1.9	— 9.1

* Provisional.

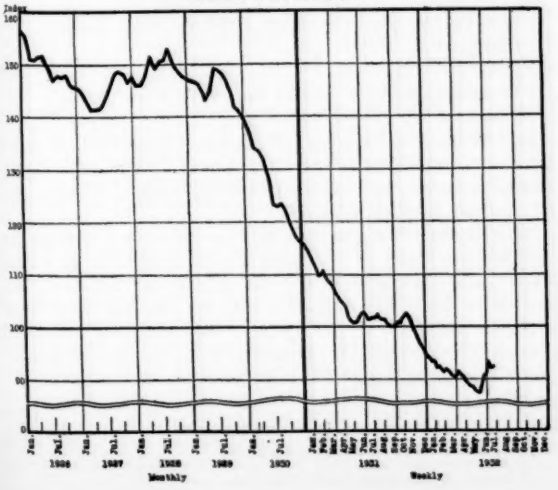
CHART III

INDEX OF WHOLESALE PRICES

Monthly, 1926-30; Weekly, January, 1931-July 26, 1932

Average Month 1913 Equals 100

Source: *The Annalist*



Foreign Trade and Prices

The 13 per cent decline in the merchandise exports of the United States in June from May and the 8 per cent increase in the merchandise imports for the same period resulted in an excess of imports for the month of June. For the first six months of 1932, the excess of exports for the United States declined 60 per cent from the corresponding period of last year. Both exports and imports declined substantially from June, 1931, and for the first half of 1932 both had declined more than 30 per cent. Gold exports increased slightly in June from May, as did also gold imports. The relatively larger increase in exports than in imports, however, resulted in a 6 per cent increase in the excess of gold exports in June.

The merchandise exports of the United Kingdom declined 2 per cent in June from May, but were 1 per cent greater than in June, 1931. The total for the first half of this year, however, was 6 per cent less than for the same period of last year. The merchandise imports of the United Kingdom in June were 3 per cent greater than in May, but 16 per cent less than in June, 1931, while the total of imports for the first half of 1932 was 14 per cent below the total for the same period of last year. The

TABLE XVII

FOREIGN TRADE OF LEADING NATIONS

(In Millions)

Sources: U. S. Department of Commerce
The Annalist, Commerce and Finance

Country	May, 1932	June,* 1932	Change June, 1932 from May, 1932	Change June, 1932 from June, 1931	Total Jan.-June, 1932 Change from 1931
UNITED STATES: (Dollars)			%	%	%
Merchandise Exports...	$ 132.2	$ 115.0	— 13	— 39	— 36
Merchandise Imports...	112.3	121.0	+ 8	— 30	— 32
Excess of Exports.....	19.9	— 6.0	***	***	— 60
Gold Exports.....	212.229	226.117	+ 7	**	**
Gold Imports	16.715	18.395	+ 10	— 71	— 39
Excess of Exports.....	195.514	207.722	+ 6	†	†
UNITED KINGDOM: (Pounds Sterling)					
Exports	30.2	29.7	— 2	+ 1	— 6
Imports	55.7	57.5	+ 3	— 16	— 14
Excess of Imports.....	25.5	27.8	+ 9	— 29	— 21
GERMANY (Marks)					
Exports	447.0	454.0	+ 2	— 39	— 37
Imports	351.0	364.0	+ 4	— 40	— 37
Excess of Exports.....	96.0	90.0	— 6	— 36	— 38
FRANCE (Francs)					
Exports	1,471	1,576	+ 7	— 37	— 38
Imports	2,482	2,602	+ 5	— 34	— 34
Excess of Imports.....	1,011	1,026	+ 1	— 27	— 25
CANADA (Canadian Dollars)					
Exports	40.594	40.945	+ 1	— 25	— 23
Imports	44.461	40.743	— 8	— 22	— 32
Excess of Imports.....	3.867	—0.202	†	— 89	— 70

* United States figures subject to revision.
** Over 1000 per cent increase.
*** Excess of exports in comparable period.
† Excess of imports in comparable period.

excess of imports into Great Britain increased 9 per cent in June from May, but showed a shrinkage of 29 per cent from June of last year, and of 21 per cent for the first half of this year as compared with the same period of 1931.

The merchandise exports of Germany were 2 per cent greater in June than in May, while merchandise imports were 4 per cent greater. The relatively greater increase in imports than in exports resulted in a decline of 6 per cent in the excess of German exports. As compared with June, 1931, German exports declined 39 per cent; imports, 40 per cent; and the excess of exports, 36 per cent. The excess of German exports for the first half of 1932 was 38 per cent less than in the corresponding period of 1931.

Both the exports and the imports of France increased in June from May, but the excess of imports increased by only 1 per cent due to the relatively greater increase in exports than in imports. As compared with June, 1931, the excess of French imports declined 27 per cent, and for the first half of 1932, 25 per cent.

Canadian exports increased only slightly in June from May and imports declined 8 per cent. As compared with June, 1931, the excess of Canadian imports declined 89 per cent. The excess for the first half of this year showed a shrinkage of 70 per cent.

TABLE XVIII
INTERNATIONAL WHOLESALE PRICE INDICES
1926 = 100
Source: *Journal of Commerce*

Country	Index July, 1, 1932	Index Aug. 5, 1932	Change in points from July 7, 1932	Change in points from Aug. 7, 1931
United States: (Fisher's)	59.6	61.1	+ 1.5	— 8.4
Great Britain: (Crump's)	58.7	60.2	+ 1.5	— 2.5
Italy:* (Milan Chamber of Commerce)	46.4	45.7	— 0.7	— 5.4

* Figures for Italy are one week previous to the dates as indicated above.

Wholesale commodity prices continued to decline throughout July in Italy, but increased slightly in Great Britain and the United States. From July 1 to August 5, the index of wholesale commodity prices increased 1.5 points in Great Britain and the United States, and declined 0.7 of 1 point in Italy. As compared with August 7, 1931, wholesale commodity prices on July 1 had declined 8.4 points in the United States, 5.4 points in Italy, and 2.5 points in Great Britain.

THE HOME LOAN BANK ACT

1. *Who May Borrow from the New Home Loan Bank?*

Any building and loan association, savings and loan association, cooperative bank, homestead association, insurance company or savings bank, if such institution (1) is duly organized under the laws of any State or of the United States; (2) is subject to inspection and regulation under the banking laws, or similar laws, of the State or of the United States; and (3) makes such mortgage loans as, in the judgment of the board (Home Loan Board), are long term loans, etc.

2. *How Many Home Loan Banks May be Organized?*

Twelve.

3. *What Must an Institution do to Become a Member and Subscribe for Stock in a Home Loan Bank?*

The institutions with right to borrow may apply for membership. The original subscription shall be an amount equal to 1 per cent of the aggregate of the unpaid principal of the subscriber's home mortgage loans, but not less than $1500.

4. *Why Become a Member?*

The right of non-members to borrow is temporary pending state legislation authorizing members with right to borrow to become members.

5. *How Much Can a Member or Non-member Borrow?*

"If secured by a home mortgage given in respect of an amortized home mortgage loan which was for an original term of eight years or more, or in cases where shares of stock, which are pledged as security for such loan, mature in a period of eight years or more, the advance may be for an amount not in excess of 60 percentum of the unpaid principal of the home mortgage loan; in no case shall the amount of the advance exceed 40 percentum of the value of the real estate securing the home mortgage loan.

"If secured by a home mortgage given in respect of any other home mortgage loan, the advance shall not be for an amount in excess of 50 percentum of the unpaid principal of the home mortgage loan; in no case shall the amount of such advance exceed 30 percentum of the value of the real estate securing the home mortgage loan.

"No home mortgage shall be accepted as collateral security for an advance by a Federal Home Loan Bank if, at the time such advance is made (1) the home mortgage loan secured by it has more than fifteen years to run to maturity (2) the value of the real estate with respect to which the home mortgage is given exceeds $20,000, or (3) is past due more than six months when presented."[1]

6. *How Much May One Institution Borrow?*

"At no time shall the aggregate outstanding advances made by any Federal Home Loan Bank to any member exceed twelve times the amounts paid in by such member for outstanding capital stock held by it, or made to a non-member borrower exceed twelve times the value of the security required to be deposited."[2]

7. *May Individuals Borrow from a Home Loan Bank?*

"Any home owner who comes within the limits of this Act and who is unable to obtain mortgage money from any other source may obtain same from any bank organized under this Act: Provided, That this subsection shall not be effective when the Federal Government has had its stock retired."[3]

8. *What Is the Minimum Capital of Each Home Loan Bank?*

$5,000,000.

9. *Who Were Appointed to the Home Loan Board, which Is Authorized to Organize the Home Loan Banks?*

Franklin W. Fort (Republican) of New Jersey, Chairman; William E. Best of Pittsburgh (Republican); John M. Gries, Rosewood, Ohio (Republican). The two Democratic members are Nathan Adams, Dallas, Texas, and H. Morton Bodfish, Chicago.

Mr. Bodfish is a graduate of The Ohio State University and made a study of "Lending Practices of Ohio Building and Loan Associations" for the Bureau of Business Research of The Ohio State University. He has been until recently Secretary of the United States Building and Loan League and was prominent among those who cooperated in securing the passage of the Home Loan Bank Act in the last Congress.

[1] Section 10, The Home Loan Bank Act.
[2] *Ibid.*
[3] Section 4, The Home Loan Bank Act.